

8-3013



DEPARTMENT OF STATE

WASHINGTON

25 YEAR RE-REVIEW

June 15, 1956

COPY

Dear Mr. Fountain:

Your letter of June 6, 1956, addressed to the Secretary of State, has been referred to me for answer. I want to assure you that the Department of State earnestly desires to cooperate with your Subcommittee in its investigation of alleged shipments of CCC commodities to Soviet bloc countries. With that thought in mind, I have reviewed the record of our correspondence with your Subcommittee and I believe that we have in every case given you the information requested in so far as it has been possible for us to obtain it. An additional reply is outstanding only with respect to those points mentioned in my letter of May 3, for which the complete data requested by the Subcommittee was not available. As to these, we are awaiting further information from abroad which we shall forward to you when it has been received.

Before taking up the three specific inquiries made in your letter of June 6, I should give you some explanation of the role of the Department of State in the gathering of information which the Departments of Commerce, Agriculture, and other official U. S. Agencies, or bodies, such as your own Subcommittee, may require for use in discharging their functions. When such other United States officials or agencies initiate requests for such information, the Department transmits their requests to its Foreign Service posts abroad. In turn, the facilities of the Department are used to transmit the replies from the field to the requesting agencies. In these exchanges, it is our responsibility, in general, to ensure that the collection and later use of any material does not create problems in our relations with foreign governments and does not jeopardize either our cryptographic systems nor the sources of information. Beyond this, the requesting agencies also may be obliged to consider other aspects of the use of such material in relation to the purpose for which the data was requested. This Department is bound to observe the views of the requesting agencies with respect to their responsibilities in these considerations. If they are engaged in a continuing investigation, particularly one involving possible legal action, they may feel it their responsibility not to release a particular document, or information from it, to other Departments or officials.

With respect

The Honorable

L. H. Fountain, Chairman,
Intergovernmental Relations Subcommittee,
House of Representatives.

-2-

With respect to the three specific inquiries in your letter of June 6, you request, first, that the Subcommittee be furnished a copy of the report, or reports, sent to the Department of State in 1955, regarding shipments of cottonseed oil to Odessa. The reports which we have identified in this connection pertain to requests for information made by the Department of Commerce. We have consulted with the latter department about making these documents, or information from them, available to the Subcommittee. We are informed that these are part of an investigation that is still pending, with a view to possible criminal or legal proceedings, and that Commerce has informed you that they cannot be released to the Subcommittee. I may add that this Department has examined the Foreign Service reports that are identified with the case file. The Department would have no objection from the point of view of its own responsibilities described above to permitting the Subcommittee to examine these documents, provided that certain sources of information and investigative procedures disclosed therein can be protected from compromise. Nevertheless, the responsibilities of the requesting agency, the Department of Commerce, must also be weighed in any decision to make this material available.

Second, you request that the Department make available for examination by the Subcommittee copies of all reports, letters, or other communications regarding possible transshipment of CCC commodities to Soviet bloc destinations. We believe that we have already taken steps to make available all such reports except for those just described in connection with the cottonseed oil investigation. To explain, the Department does not ordinarily initiate requests for, or receive for its own primary use, reports from the Foreign Service with respect to possible diversions to the Soviet bloc of the commodities covered by your inquiry. When requests for such information are made on behalf of other agencies, such as Commerce and Agriculture, the Department, as necessary, forwards these requests, and the replies, and does not record on any systematic or current basis any additional information with reference to the subject, as in this case the transshipment of surplus commodities. I could not say that we do not have in our file some additional data on this subject which might be of interest to the Subcommittee. This information might be scattered throughout a great majority of the files being maintained by the Department. Under the circumstances we are not equipped to distinguish and to select readily from all of our files every communication that might have a bearing on a particular matter in which the Subcommittee is interested. However, within the limitations explained in this letter I can assure you that we have made and that we will make available for your examination all documents which are primarily concerned with the subject matter in which you are interested. Specifically, I refer to the information already forwarded to, or for, the Subcommittee by the Department, and to the reports contained in the investigatory files of the Departments of Agriculture and of Commerce. We have already indicated that we have no objection to your examining these reports in these investigatory files,

subject

subject only to the comment of those agencies.

Third, you ask whether the Department of State is willing to permit examination by the Subcommittee of the material in the files of the Department of Agriculture originating with the Department of State's representatives abroad. As I believe the Department of Agriculture indicated to you in a letter dated June 4, 1956, we had no objection to your Subcommittee examining certain documents contained in a working file of the Agriculture Department. It was suggested that you might more conveniently examine that material as it was systematically included with more complete information in the Department of Commerce investigatory file. If there is additional material which the Department of Agriculture has obtained through our facilities, and if you or the Subcommittee can specify what it is, we shall examine it to determine whether it can be made available to you. In deciding on the availability of such material, we must, of course, as before, consider the interests of the requesting agencies as well as our own interests. Within these limitations, I can assure you that in each case we will examine the material you may request and make every effort to see that the Subcommittee staff receives as much of the information as is possible.

Sincerely yours,

For the Secretary of State:

Robert C. Hill
Assistant Secretary

Clearances: Commerce Dept - JAOverton
Agriculture " - RLFarrington
State Dept: E/ITR - BHThibodeaux
E/ECD - RBWright
REP - PFDuVivier

ITR:ECD:AVNyren/mwb 6-14-56
H:RLO'Connor:fg

Copy to: Commerce Dept.
Agriculture Dept.
ICA-Mr. Bogardus
CIA-Mr. Norman Paul
Navy- Mr. Lorne Kennedy

DEPARTMENT OF STATE

ASSISTANT SECRETARY

From: Roderic L. O'Connor,
Department of State.

June 19, 1956

